

A RESOLUTION

03- R-1387

BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF ATLANTA AND THE HERTZ CORPORATION FOR CAR RENTAL SERVICES AT HARTSFIELD ATLANTA INTERNATIONAL AIRPORT, WHICH SHALL BE FOR A TERM OF FIVE (5) YEARS, AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the "City") and The Hertz Corporation entered into a Lease Agreement (Contract FC 2605-85) dated December 20, 1985 covering the car rental services at Hartsfield Atlanta International Airport, hereinafter the "Airport," which has effectively ended on December 31, 1990; and

WHEREAS, a new agreement with The Hertz Corporation is required and will link The Hertz Corporation with the future CONRAC agreement; and

WHEREAS, the rental rate for counter space and facilities will be adjusted to increase the rental to the market rate; and

WHEREAS, the Department of Aviation recommends that the City enters into a new agreement with The Hertz Corporation for a term of five (5) years.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor or her designee be and hereby is authorized to execute on behalf of the City of Atlanta an Agreement for Car Rental Services at Hartsfield Atlanta International Airport, which shall contain substantially the following terms and conditions:

1. The term shall be for five (5) years or the date of beneficial occupancy of the CONRAC, whichever comes first.
2. This agreement includes a service facility on Car Rental Row containing approximately 8.10 acres of land, 14,800 sq. ft. of building and 987 sq. ft. of counter space located in the Main Terminal of the airport.
3. The Hertz Corporation shall pay a privilege fee of ten percent (10%) of the gross revenue, counter space rental of \$32.50 per square foot per year, and the facility rental will include a land portion that will be \$1.48 per square foot per year and a building rent of \$6.00 per square foot per year.
4. A Minimum Annual Guarantee (MAG) will be payable in 12 equal rental payments due on the first day of each month. The first year's MAG will be \$1,562,700. Beginning with the second year, the MAG will be the greater of the current MAG or an amount equal to eighty-five (85%) of the previous years rental.

5. The Hertz Corporation will have the privilege of soliciting car rentals from the counter area and arranging for such services with arriving airline passengers and others in the Central Passenger Terminal Complex. This shall not be construed to be an exclusive privilege, and City shall have the right to deal with and perfect arrangements with other Car Rental Companies, involving like activity at the Airport.
6. The Hertz Corporation will have the privilege of selling personal accident insurance policies to renters of its vehicles in and from the airport. Other services incidental to rental of its cars may be sold with written approval of the City's Aviation General Manager.
7. The Hertz Corporation will have the obligation to provide and operate an adequate number of clearly identified, clean, safe and well maintained shuttle buses as required to transport The Hertz Corporation patrons to and from the Airport. Shuttle buses used in transporting The Hertz Corporation patrons shall stop only at the approved loading areas designated by the Aviation General Manager.
8. The Agreement also shall include such terms and conditions required by law including the City Code of Ordinance or customarily included in agreements of a similar nature.

BE IT FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare said Agreement for execution by the Mayor.

BE IT FINALLY RESOLVED that said Agreement shall not become binding upon the City, and the City shall incur neither obligation nor liability thereunder until the same has been executed by the Mayor and delivered to The Hertz Corporation.

TRANSMITTAL FORM FOR LEGISLATION

To Mayor's Office: Greg Pridgeon

General Manager's Signature: _____

From: Originating Dept. Aviation

Committees of Purview: TC

Committee Meetings: 09/10/03

Contact: Anita Williams 404-530-6600

Committee Deadline: 08/29/03

City Council Meeting: 09/15/03

CAPTION:

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF ATLANTA AND THE HERTZ CORPORATION FOR CAR RENTAL SERVICES AT HARTSFIELD ATLANTA INTERNATIONAL AIRPORT, WHICH SHALL BE FOR A TERM OF FIVE (5) YEARS, AND FOR OTHER PURPOSES.

BACKGROUND/DISCUSSION:

This Agreement is needed to assure the uninterrupted car rental services at Hartsfield Atlanta International Airport to all airport users. The City of Atlanta anticipates constructing a Consolidated Rental Car (CONRAC) facility for use by rental car companies who serve the Airport. The CONRAC facility will replace the counters, facilities and loading areas that the rental car companies currently occupy. The City anticipates entering into an agreement with all rental car companies to tie the car rental companies to the future CONRAC facility. This agreement must be signed by all companies planning to do business at Hartsfield Atlanta International Airport.

FINANCIAL IMPACT: Positive

SOURCE: N/A

Mayor's Staff Only:

Received by Mayor's Office: 8.18.03

(date)

Reviewed: _____

(Initials)

(date)

Submitted to Council: _____

Action by Committee: ☐ Approved ☐ Adversed ☐ Held ☐ Amended

☐ Substitute ☐ Referred ☐ Other